



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAR - 9 2007

Cleta Mitchell, Esq.
Foley & Lardner LLP
3000 K Street, Northwest
Suite 500
Washington, DC 20007-5143

RE: MUR 5749
Santorum 2006 and Gregg Melinson,
in his official capacity as treasurer

Dear Ms. Mitchell:

On May 19, 2006, the Federal Election Commission notified your clients, Santorum 2006 and Gregg Melinson, in his official capacity as treasurer (the "Committee") of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On February 21, 2007, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe the Committee violated 2 U.S.C. § 441a(f). Accordingly, the Commission closed its file in this matter as it pertains to the Committee. The Factual and Legal Analysis, which more fully explains the Commission's finding, is enclosed.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

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If you have any questions, please contact J. Cameron Thurber, the attorney assigned to this matter at (202) 694-1650.

Sincerely,

Thomasenia P. Duncan
Acting General Counsel



BY: Rhonda J. Vosdinger
Associate General Counsel
for Enforcement

Enclosure
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

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5 **RESPONDENT: Santorum 2006 and Gregg R. Melinson, MUR: 5749**
6 **in his official capacity as treasurer**
7

8 **I. INTRODUCTION**

9 This matter was generated by a complaint filed with the Federal Election Commission
10 ("Commission") by the Center for Responsibility and Ethics in Washington. See 2 U.S.C.
11 § 437g(a)(1). For the reasons set forth below, the Commission finds no reason to believe that
12 Santorum 2006 and Gregg R. Melinson, in his official capacity as treasurer ("Santorum 2006"),
13 violated 2 U.S.C. § 441a(f) by knowingly accepting an excessive contribution, and closes the file
14 as to Santorum 2006.

15 **II. DISCUSSION**

16 **A. Excessive Contribution to Santorum 2006 by GSP PAC and HHLS PAC**

17
18 **1. Facts**

19 Houston Harbaugh Legislative Services ("HHLS"), a limited liability company, was
20 formed as a joint venture between GSP Consulting Corporation ("GSP") and the Houston
21 Harbaugh law firm, both Pennsylvania corporations, in October 2002; Houston Harbaugh
22 Legislative Services PAC ("HHLS PAC") was its separate segregated fund ("SSF"). Joint
23 Response at 8-9.¹ GSP had its own SSF, GSP Consulting Corporation PAC ("GSP PAC"). GSP
24 assumed the entire interest of HHLS on December 21, 2005. Joint Response at 9 n.2. HHLS
25 PAC's Statements of Organization did not disclose any affiliation with GSP or GSP PAC, and

¹ The Joint Response to the complaint was filed on behalf of GSP, GSP PAC, and others.

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1 GSP PAC's Statements of Organization likewise did not reflect any affiliation with HHLS or
2 HHLS PAC.

3 GSP PAC admits, and its disclosure reports show, that it contributed a total of \$4,100 to
4 Santorum 2006 (\$2,000 designated to the primary election, \$2,000 designated to the general
5 election and a \$100 in-kind contribution). Joint Response at 10 n.3. HHLS PAC also admits,
6 and its disclosure reports show, that it contributed a total of \$1,500 in undesignated contributions
7 to Santorum 2006. Joint Response at 10 n.3. Thus, the combined contributions to Santorum
8 2006 from GSP PAC and HHLS PAC total \$5,600.

9 2. Analysis

10 A committee must disclose its affiliated committee's or connected organization's name,
11 address and relationship on its Statement of Organization. 2 U.S.C. § 433(b)(2). "Assuming
12 without conceding that GSP PAC and HHLS PAC qualify as affiliated committees," both admit
13 that they did not notify the Commission of their "putative affiliated status." Joint Response at 12.

14 Affiliated committees include SSFs established, financed, maintained or controlled by the
15 same corporation, person or group of persons, including any parent, subsidiary, branch, division,
16 department or local unit thereof. 11 C.F.R. § 100.5(g)(2). Committees also may be affiliated if
17 certain other factors are met. See 11 C.F.R. §§ 110.3(a)(2)-(3).

18 Affiliated committees are subject to the contribution limits that apply to a single
19 committee under 2 U.S.C. § 441a(a)(1). 2 U.S.C. § 441a(a)(5). In 2005, the PAC contribution
20 limit was \$2,100 per election, making \$4,200 the total contribution limit from affiliated
21 committees to a Senate candidate for the 2006 primary and general elections. See 2 U.S.C.
22 § 441a(c). The two PACs admit that if they were affiliated, they "together contributed in excess

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1 of the maximum amount permitted by 2 U.S.C. § 441a(a)(1) and 11 C.F.R. § 110.1(a) to
2 Santorum 2006" by a combined total of \$1,400. Joint Response at 12.

3 Political committees may not knowingly accept contributions in excess of the limits set
4 forth in 2 U.S.C. § 441a(a)(1). In response to the complaint, Santorum 2006 claimed that at the
5 time it accepted the contributions, it did not know the GSP PAC and HHLS PAC were affiliated
6 and noted that once it became aware of the putative affiliation and prior to the complaint being
7 filed, it returned the \$1,400 in excess contributions to GSP PAC. As GSP PAC and HHLS PAC
8 failed to disclose any affiliated status in their Commission filings, and the contributions likely
9 would not have appeared excessive on their face, there is no basis to infer Santorum 2006 knew it
10 was accepting excessive contributions. Therefore, there is no reason to believe that Santorum
11 2006 violated 2 U.S.C. § 441a(f) by knowingly accepting an excessive contribution from GSP
12 PAC and HHLS PAC.

13 **B. McDonald's Contribution to Santorum 2006**

14 **1. Facts**

15 On July 7, 2004, Sean McDonald gave a \$2,000 contribution to GSP PAC that was
16 earmarked for Santorum 2006. See GSP PAC's 2004 October Quarterly Report. The 2004
17 October Quarterly Report for Santorum 2006 shows a \$2,000 contribution received from
18 McDonald on August 4, 2004. The complaint alleges these reports show McDonald made two
19 contributions, for a total of \$4,000, to Santorum 2006 for the primary election. The Joint
20 Response states that there was actually only one contribution of \$2,000 earmarked to Santorum
21 2006 that flowed through GSP PAC and that was reported by both GSP PAC and Santorum
22 2006, reflecting "both ends of the same transaction." Joint Response at 13.

1 2. **Analysis**

2 The contribution limit for the 2003-2004 election cycle was \$2,000 per election. 2 U.S.C.
3 § 441a(a)(1)(A). Commission records confirm that McDonald made only one \$2,000
4 contribution to Santorum 2006 in 2004.² Therefore, there is no reason to believe that Santorum
5 2006 knowingly violated 2 U.S.C. § 441a(f) by accepting an excessive contribution from Sean
6 McDonald.

² McDonald made the contribution on July 7, 2004, but it was not reported as received by Santorum 2006 until August 4, 2004. While GSP PAC was required to forward the earmarked contribution within ten days, the memorandum entry attached to the 2004 October Quarterly Report shows it was "forwarded in the form of original check on 7/12/2004." This indicates the delay in delivery of the contribution likely occurred in transit.